

Table 1: Typical Reimbursement Rates
Division of Alcohol and Substance Abuse
Residential Treatment Services Rate Study June 2004

Version 15

Table 2: Typical Deficiency of Reimbursement
Division of Alcohol and Substance Abuse
Residential Treatment Services Rate Study June 2004

Version 15

Column Source:	# of Providers	Provider	Audit	Audit	Audit (Total Program Costs/Total G&A)*	Sum of (4 x 6 = 7) for individual Providers	Sum of (4 + 7 = 8) for individual Providers	Col. 8 / Col. 3 = Col. 9	State Schedule	Typical Deficiency of Reimbursement								All Providers
1	2	3	4	5	6	7	8	9	10									
Modality Type/Provider	Number of Providers	Total Units of Service	Total Modality Costs per Audit	Total G&A Costs	% Allocation of G&A Costs	G&A Dollar Allocation to Modality	Total Modality Cost	Cost per Unit of Service by Modality	FY 2003 Reimbursement Rate	Modality Type/Provider	Number of Illustrative Providers	Bed Days Under Contract for Illustrative Providers	Actual 2003 State Reimbursement for Illustrative Providers	Actual Billable Days for Illustrative Providers	Billable \$ at Average Cost for Illustrative Providers	\$ Shortfall for Illustrative Providers	Deficiency as a % of Reimbursement	
Intensive Inpatient Treatment										Intensive Inpatient Treatment								
Average--all providers	n = 7	104,709	\$10,276,299	\$ 4,566,255	16.0%	\$ 1,639,179	\$ 12,105,576	\$ 115.61	\$ 66.36	Average--all providers	8	219	\$ 3,481,260	52,460	\$ 6,065,010	\$ (2,583,750)	-74.2%	
Range--all providers	n = 7				11% - 21%			\$68 - \$173	66.36									
Average--typical providers ^A	n = 6	95,086	\$ 8,902,828	\$ 2,392,398	15.2%	\$ 1,350,431	\$ 10,443,357	\$ 109.83	\$ 66.36	Average--typical providers	7	191	\$ 2,960,666	44,615	\$ 4,900,118	\$ (1,939,452)	-65.5%	
Range--typical providers	n = 6				11% - 19%			\$69-\$145	66.36									
Long Term Residential										Long Term Residential								
Average--all providers	n = 2	26,860	\$ 1,234,819	\$ 2,323,021	15.0%	\$ 185,171	\$ 1,419,990	\$ 52.87	\$ 52.24	Average--all providers	3	56	\$ 1,000,656	19,155	\$ 1,012,653	\$ (11,997)	-1.2%	
Range--all providers	n = 2				14% - 21%			\$50-\$86										
Recovery House										Recovery House								
Average--all providers	n = 4	35,653	\$ 1,606,764	\$ 2,673,117	14.1%	\$ 227,001	\$ 1,833,765	\$ 51.43	\$ 37.97	Average--all providers	4	52	\$ 494,862	13,033	\$ 670,334	\$ (175,472)	-35.5%	
Range--all providers	n = 4				11% - 21%			\$37 - \$68										
Long-term - Involuntary [values are shadowed in based on CY 2003 internal information that was not linked to functional costs of the independent auditor]										Long-term Involuntary								
Average--all providers	n = 1	43,039	\$ 4,668,050	not known	10.5%	\$ 521,424	\$ 5,189,474	\$ 120.58	\$ 128.50	Average--all providers:	Provider audits did not have functional cost reports at the modality level. Shadowed price information was not used in the computations of Table 2.						data not used	
Range--all providers					10.5%			\$ 120.58										
PPW Residential (with child)										PPW Residential (with child)								
Average--all providers	n = 4	35,684	\$ 6,010,009	\$ 1,547,813	12.7%	\$ 764,098	\$ 6,774,107	\$ 189.84	\$ 155.90	Average--all providers	5	85	\$ 3,860,576	26,269	\$ 4,986,801	\$ (1,126,225)	-29.2%	
Range--all providers	n = 4				7% - 26%			\$148 - \$253		(includes estimated child payments) (not all mothers were with a child)								
Youth Level 1										Youth Level 1								
Average--all providers ^A	n = 2	25,846	\$ 4,621,797	\$ 2,540,006	24.1%	\$ 1,113,890	\$ 5,856,289	\$ 226.58	\$ 106.83	Average--all providers	2	25	\$ 790,372	7,398	\$ 1,676,339	\$ (885,967)	-112.1%	
Range--all providers ^A								\$187 - \$304										
Average--typical provider ^B	n = 1				19.4%			\$ 187.00	\$ 106.83	Average--typical provider	1	12	\$ 467,915	4,380	\$ 819,059	\$ (351,144)	-75.0%	
Youth Level 2										Youth Level 2								
Average--all providers	Provider audit functional cost report did not breakout multiple residential modalities.								no data	Average--all providers:	Provider audit functional cost report did not breakout multiple residential modalities.						no data	
Range--all providers									no data									
Youth Level 2 - Secure										Youth Level 2 - Secure								
Average--all providers	n = 3	35,361	\$ 6,147,974		7.8%	\$ 481,537	\$ 6,629,511	\$ 187.48	\$ 188.68	Average--all providers	3	44	\$ 2,462,392	13,051	\$ 2,446,743	\$ 15,649	0.6%	
Range--all providers	n = 3							\$156 - \$254										
										Totals--all providers								
										Totals--typical providers								
										25	481	\$ 12,090,118	131,366	\$ 16,857,880	\$ (4,767,762)	-39.4%		
Total--all providers n =22 (not including the "shadow priced" provider)										23	440	\$ 11,247,067	120,503	14,835,709	\$ (3,588,642)	-31.9%		

* The general and administrative rates are based on the total agency costs shown in the audited financial statements. The average percentage rates in column 6 cannot be applied directly to the totals in column 5; the totals in columns 7 and 8 are derived from the summation of the results of individual providers.

^A To offset the cost effects of the under-utilization of one provider, a normal utilization (namely 95%) was assumed in calculating the units of service and the average cost per unit of service. The objective was to estimate the cost per unit of service assuming levels of utilization observed elsewhere in the provider delivery system.

^B A "typical provider" category was developed to exclude one provider that was seriously underutilized, namely the use of capacity between 60% to 70%.